



LAUREL HIGHLAND TOTAL COMMUNICATIONS, INC.

- Telephone
- Television
- Internet
- Long Distance
- Radio

EX PARTE COMMUNICATION

October 27, 2016

Marlene H. Dortch, Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

**Re: WC Docket No. 10-90: Petitions of Laurel Highland Telephone Company
and Yukon Waltz Telephone Company for Waiver of 47 CFR 51.917
Intercarrier Compensation Transition Rules**

Dear Ms. Dortch:

On January 11, 2013, our subsidiary, Yukon-Waltz Telephone Company (Yukon) filed a request for waiver of section 51.917(b)(7)(ii) of the Commission's rules, and on April 11, 2013, another subsidiary, Laurel Highland Telephone Company (Laurel Highland) and Yukon filed a joint petition for waiver of section 51.917(b)(4) of the Commission rules. Both waiver requests related to the Commission's intercarrier compensation rules adopted in 2011.

On October 20, 2016, the Commission denied both waiver requests. For the Yukon waiver, the decision came 1,378 days after the filing. For the joint Laurel/Yukon filing, the decision took the Commission 1,288 days to deny the waiver request. The Companies respectfully submit that the time taken to address these filings in no way constitutes a reasonable interval for a decision, and may indicate a systemic problem within the Commission in addressing petitions presented by companies attempting to exercise rights under the laws of the United States.

Furthermore, in the case of the joint Laurel/Yukon petition, the Commission took 1,288 days to issue a decision that did not engage with or address the Companies' arguments. In the October 20 Order, the Commission states "...these carriers either were, or should have been well aware that the Commission was considering comprehensive reform, and that such reform could affect ICC and related revenues." In fact, the Companies stated in the joint petition "at the time the decision was made to convert from average schedule-based settlements to cost-based settlements, the Companies could not have foreseen that the benefits of such a conversion would last a brief nine months." As a result, not only did the Commission's Order denying the Company's petition take nearly four years, but the rationale for denying the treatment sought did not adequately address the Companies' arguments.

Laurel and Yukon filed the waiver requests to remedy an inequity in the Commission's intercarrier compensation rules that resulted in the Companies receiving an unreasonably low amount of compensation due to the average schedule to cost conversion. The decision for this conversion, as stated succinctly in the Companies' joint petition, was made in advance of the 2011 ICC rule changes and in full awareness of and compliance with the Commission rules in effect at that time. And while the Companies do not expect automatic approval of waiver requests of this sort, the Companies did, rightly so, expect a decision more rapidly than the time lines noted above.

Marlene H. Dortch, Secretary
October 27, 2016
Page 2 of 2

Additionally, the Commission's use of forecasted numbers when actual numbers are available is very odd, and its refusal to allow carriers to recognize revenues when they're earned versus when they're collected (as required under Generally Accepted Accounting Principles) is just as odd. Unfortunately, the Commission's basis for rejecting the Laurel Highland and Yukon petitions seems to have been based on the premise that if given an opportunity, small carriers will "game the system."

Sincerely,



James J. Kail
President & CEO